REVIEWED
FINANCIAL STATEMENTS

NEW YORK ANIMAL AGRICULTURE COALITION, INC.

September 30, 2019

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FreedMaxick CPAs, P.C.

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Managers of
New York Animal Agriculture Coalition, Inc.
Batavia, New York

We have reviewed the accompanying financial statements of the New York Animal Agriculture Coalition, Inc. (NYAAC), which comprise the statement of financial position as of September 30, 2019, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of NYAAC's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility
Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion
Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Freed Maxick CPAs, P.C.

Batavia, New York
May 7, 2020

NEW YORK ANIMAL AGRICULTURE COALITION, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2019
SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT

		2019
ASSETS		
Cash	$	202,484
Certificates of deposit		100,200
Accounts receivable		25,000
Inventory		17,128
Property and equipment, net		17,095
Total assets	$	361,907
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$	23,981
Sales tax payable		337
Deferred revenue		100,092
Total liabilities		124,410
NET ASSETS		
Without donor restrictions		137,497
With donor restrictions		100,000
Total net assets		237,497
Total liabilities and net assets	$	361,907

See accompanying notes.

NEW YORK ANIMAL AGRICULTURE COALITION, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Support and dues	$ 75,000	$ -	$ 75,000
Sales of merchandise	7,211	-	7,211
Grants and donations	184,296	-	184,296
Interest income	50	-	50
Other	625	-	625
Total support and revenue	267,182	-	267,182
Expenses			
Program services	138,873	-	138,873
Fundraising	13,184	-	13,184
Management and general	67,883	-	67,883
Total expenses	219,940	-	219,940
Change in net assets	47,242	-	47,242
Net assets, beginning of year	90,255	100,000	190,255
Net assets, end of year	$ 137,497	$ 100,000	$ 237,497

See accompanying notes.

NEW YORK ANIMAL AGRICULTURE COALITION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2019
SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT

	Program Services					Fundraising	Management and General	Total
	Birth Center	All-Star	Dialogues	Other	Total			
Advertising and promotions	$ 27,238	-	-	11,594	38,832	$ -	$ -	$ 38,832
Bank charges	-	-	-	-	-	-	171	171
Contract fees	4,561	-	-	-	4,561	-	32,599	37,160
Contributions	4,175	-	-	-	4,175	-	-	4,175
Depreciation	3,862	-	-	-	3,862	855	139	4,856
Dues and subscriptions	-	-	-	500	500	-	-	500
Insurance	243	-	-	-	243	-	2,604	2,847
Merchandise	1,251	-	-	96	1,347	12,329	-	13,676
Miscellaneous	1,617	-	-	1,930	3,547	-	1,094	4,641
Office supplies and printing	3,041	-	-	361	3,402	-	412	3,814
Payroll	17,672	402	2,008	-	20,082	-	20,081	40,163
Payroll taxes	1,932	44	220	-	2,196	-	2,196	4,392
Professional fees	-	-	-	-	-	-	5,652	5,652
Rentals	11,042	-	-	-	11,042	-	-	11,042
Technology	30,617	-	-	-	30,617	-	-	30,617
Travel	11,704	-	-	2,763	14,467	-	1,604	16,071
Training	-	-	-	-	-	-	1,331	1,331
Total expenses	$ 118,955	$ 446	$ 2,228	$ 17,244	$ 138,873	$ 13,184	$ 67,883	$ 219,940

See accompanying notes.

NEW YORK ANIMAL AGRICULTURE COALITION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT

		2019
Cash flows from operating activities:		
Change in net assets	$	47,242
Adjustments to reconcile change in net assets		
to net cash provided by operating activities:		
Depreciation		4,856
Decrease in:		
Accounts receivable		3,000
Inventory		12,329
Increase (decrease) in:		
Accounts payable and accrued expenses		8,679
Sales tax payable		(170)
Net cash provided by operating activities		75,936
Increase in cash and restricted cash		75,936
Cash and restricted cash - beginning of year		126,548
Cash and restricted cash - end of year	$	202,484

See accompanying notes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities: The New York Animal Agriculture Coalition, Inc. (NYAAC) is a not-for-profit organization incorporated on March 7, 2014 under the New York State Corporation Laws. The mission of NYAAC is to enhance the public's understanding of and appreciation for animal agriculture by fostering a dialogue with consumers, engagement with farmers and cooperation among members of the industry.

Basis of Accounting: The NYAAC's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Revenue Recognition: The accompanying financial statements are presented on the accrual basis of accounting, whereby revenue is recorded when earned and expenses recorded when incurred. Dues revenue is recognized on the first of the year. Revenue from the fundraising activities are recognized when the event takes place. Grant revenue is recognized when the related expenses are incurred.

Effective October 1, 2018, the NYAAC adopted Accounting Standards Update 2014-09 (ASC 606) "Revenue from Contracts with Customers". ASC 606 requires an entity to recognize revenue to depict the transfer of control of goods (or services) to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods and (or services). NYAAC utilized the modified retrospective method resulting in periods beginning October 1, 2018 presented under ASU 606 while prior period amounts are not adjusted and continue to be reported under accounting standards in effect during those periods. The adoption did not have a material impact on the timing of revenue recognition for the current or prior period. Accordingly, no adjustments have been made to opening net assets or prior period results.

Financial Statement Presentation: The financial statements of NYAAC have been prepared in accordance with U.S. GAAP, which require the NYAAC to report information regarding its financial position and activities according to the following net asset classifications:

> **Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the NYAAC's management and the Board of Directors.
>
> **Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions the NYAAC or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.
>
> Donor restricted contributions and grants are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Classification of Transactions: All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses are reported as decreases in net assets without donor restrictions.

Cash and Cash Equivalents: For the purposes of the statement of cash flows, all highly liquid instruments with an original maturity of three months or less are considered to be cash equivalents. Certificates of deposit consist of certificates of deposit with maturities in excess of three months.

Accounts Receivable: Accounts receivable are stated at invoice amount less an allowance for doubtful accounts. On a periodic basis, the NYAAC will evaluate its accounts receivable and establish an allowance for doubtful accounts as needed. U.S. GAAP requires the establishment of an allowance for doubtful accounts, however, no allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

Inventory: Inventory, consisting of merchandise, is stated at the lower of cost or net realizable value at the balance sheet date. Cost is determined on the first-in, first-out method.

Property and Equipment: All property and equipment is stated at cost. Depreciation is calculated on the 150% declining balance method over the estimated useful lives of the respective assets. Depreciation expense amounted to $4,856 for the year ended September 30, 2019.

The cost of normal maintenance and repairs is charged to expense as incurred, whereas expenditures which materially extend property lives are capitalized. When depreciable property is retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in income.

Accounting Standards require that long-lived assets and certain identifiable intangibles held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If such events or changes in circumstances are present, a loss is recognized to the extent of carrying value of the assets is in excess of the sum of the undiscounted cash flows expected to result from the use of the asset and its eventual disposition. NYAAC has not recorded any such losses to date.

Deferred Revenue: In accordance with the accrual method of accounting, NYAAC recognizes revenue when earned. Deferred revenue resulted from donation revenue in which the purpose of the donation has not been met. These funds have been invested in a certificate of deposit.

Advertising: Advertising costs are charged to operations when incurred. Advertising expense for the year ended September 30, 2019 amounted to $38,832.

Expense Recognition and Allocation: The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Accordingly, certain costs have been allocated by NYAAC amongst the program and supporting services benefited. Salaries and benefits are allocated on the basis of estimates of time and effort.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of NYAAC.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years.

Expenses were allocated according to specific identification and management estimates.

Income Taxes: NYAAC is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for income taxes has been provided for in the financial statements. NYAAC is no longer subject to Federal or New York State tax examinations for years prior to 2009.

Recently Issued Accounting Standard Updates (ASU): During the fiscal year ended September 30, 2019, NYAAC adopted the provisions of ASU 2014-09, 2016-12 and 2016-20 *Revenue from Contracts with Customers*, ASU 2016-01 and 2018-03 *Financial Instrument, Recognition and Measurement of Financial Assets and Financial Liabilities*, ASU 2018-08 *Not-for-Profit Entities, Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made.* NYAAC also implemented ASU 2016-18 *Statement of Cash Flows, Restricted Cash.* NYAAC has evaluated these ASU's and have determined they have no impact on NYAAC's operations.

The following ASUs have been issued recently and are being evaluated by NYAAC for their potential impact in future years.

- ASU 2016-02, 2018-10, 2018-11 *Leases*, which will be effective for the year ending September 30, 2022.
- ASU 2018-13 *Fair Value Measurements – Changes to the Disclosure Requirements for Fair Value Measurements*, which will be effective for the year ending September 30, 2020.

The Financial Accounting Standards Board has proposed a one-year delay of certain ASU's, including ASU 2016-02, to provide relief to financial statement preparers as a result of the COVID-19 pandemic.

Use of Estimates in Preparation of Financial Statements: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk: Financial instruments that potentially expose the NYAAC to concentrations of risk consist primarily of cash. Although the cash accounts may exceed the federally insured amounts, management does not anticipate nonperformance by the financial institutions.

NOTE 2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure that is, without donor or other restrictions limiting their use, within one year of September 30, 2019 is:

		2019
Financial assets at year end:		
Cash	$	202,484
Accounts receivable		25,000
Financial assets available to meet general expenditures over the next twelve months	$	227,484

NYAAC's goal is generally to maintain financial assets to meet current liabilities.

NOTE 3. NET ASSETS

Net Assets With Donor Restrictions**:** Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; NYAAC must continue to use the resources in accordance with the donor's instructions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

At December 31, 2019, net assets with donor restrictions are available for the following purposes or periods:

Purpose restrictions available for spending:		
Animal Agriculture Farm	$	100,000

Net Assets Without Donor Restrictions**:** Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of NYAAC, the environment in which it operates and the purposes specified in its corporate documents. As of September 30, 2019, NYAAC had no board restricted assets.

NOTE 4. SUBSEQUENT EVENTS

In December 2019, a novel strain of the Coronavirus was reported. The World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern". The impact on NYAAC is difficult to predict at this time.

These financial statements have not been updated for subsequent events occurring after May 7, 2020, which is the date these financial statements were available to be issued.